



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/812,627	03/20/2001	David Lawrence	17209-454	1330
54205	7590	02/19/2010		
CHADBOURNE & PARKE LLP 30 ROCKEFELLER PLAZA NEW YORK, NY 10112			EXAMINER	
			SUBRAMANIAN, NARAYANASWAMY	
			ART UNIT	PAPER NUMBER
			3695	
			MAIL DATE	DELIVERY MODE
			02/19/2010	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/812,627	Applicant(s) LAWRENCE ET AL.
	Examiner Narayanswamy Subramanian	Art Unit 3695

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(o).

Status

- 1) Responsive to communication(s) filed on 30 September 2009.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-5,7-21 and 26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-5,7-21 and 26 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO/SB/08)
 Paper No(s)/Mail Date _____
- 4) Interview Summary (PTO-413)
 Paper No(s)/Mail Date _____
- 5) Notice of Informal Patent Application
 6) Other: _____

DETAILED ACTION

1. This office action is in response to applicants' request for continued examination filed on September 30, 2009. Amendments to claims 1, 3-5, 7, 10-12, 14, 16-18, 21 and 26 have been entered. Claims 1-5, 7-21 and 26 are currently pending and have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-5, 7-21 and 26 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Independent claims 1, 16 and 21 recite the limitation "gather risk information into a computer storage, the risk information related to financial and non-financial risk variables for the financial transaction, which is periodically updated". It is not clear as to what is periodically updated. Is it the "risk information", or "the financial and non-financial risk variables" or "the financial transaction". Hence the scope of the claim is not clear. Also the metes and bounds of the limitation "periodically updated" are unclear. Claim 1 also recites "receiving transaction information into the computer storage relating to details of the financial transaction". It is not clear if the details of the financial transaction relates to the storage device or to the received transaction information. Dependent claims are rejected by way of dependency on a rejected claim.

Claim 26 recites the limitation “wherein the risk quotient is indicative of an amount or monetary cost or defend all adverse position or a fine” (emphasized added). It is not clear what the Applicants mean by the emphasized portions taken together. Appropriate correction is required.

The rejections given below are interpreted in light of these 112, second paragraph rejections.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claim 21 is rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter. 35 USC 101 requires that in order to be patentable the invention must be a "**new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof**" (emphasis added).

Claim 21 is drawn to a "Computer executable program code". Note that a computer (or software program) code cannot by itself perform the underlying function until it is loaded on some computer readable memory and accessed by the computer (or a processor). Functional descriptive material, per se, is not statutory. This is exemplified in *In re Warmerdam 31 USPQ2d 1754* where the rejection of a claim to a disembodied data structure was affirmed. Thus a claim to a data structure, per se, or other functional descriptive material, including computer programs, per se, is not patent eligible subject matter.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-5, 7-21 and 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Basch et al. (US Patent 6,119,103) in view of Packwood (US Patent 7,006,992 B1).

Claims 1, 16 and 21 Basch teaches a computer-implemented method, a computerized system, a computer executable program code residing on a computer readable medium for managing risk related to a financial transaction, the method comprising: gathering risk information into a computer storage, the risk information related to financial and non-financial risk variables for the financial transaction, which is periodically updated (See Basch Abstract, Figure 1, Column 7 line 15 – Column 8 line 51, Column 13 lines 8-25and claims 1, 2, data having bearing on Financial risk level, divorce filings, tax liens, judgements, bankruptcy or non-bankrupt chargeoffs are examples of risk information related to financial and non-financial risk variables for the financial transaction, the FRPS includes data storage for storing such information, periodic automated inputs and updating of profiles imply data which is periodically updated); receiving transaction information into the computer storage relating to details of the financial transaction (See Basch Abstract, Figure 1, Column 7 line 15 – Column 8 line 51, and claims 1, 2, 19 and 29, transactional data includes this feature); structuring the received transaction information received with a processor, according to risk quotient criteria associated with at least

one risk (See Basch Abstract, Figure 1 and claims 1-7); and generating with the processor, a risk quotient comprising at least one of a scaled numeric value and a scaled alphanumeric value based on the structured transaction information and the periodically updated gathered risk information (See Basch Abstract, Figure 1 and claims 1, 2, 19 and 29). The risk score is interpreted to include a risk quotient and the score is interpreted to include at least one of a scaled numeric value and a scaled alphanumeric value. Communication network, executable software stored on the server and executable on demand are inherent in the disclosure of Basch.

Basch does not teach the step wherein the risk is at least one of a legal, regulatory, and reputational risk.

Packwood teaches the step wherein the risk is at least one of a legal, regulatory, and reputational risk (See Packwood Column 10 line 60 - Column 11 line15).

It would have been obvious to one with ordinary skill in the art at the time of invention to include the step wherein the risk is at least one of a legal, regulatory, and reputational risk to the disclosure of Basch. The motivation to combine is that it would have helped the user identify otherwise undetected risks and aid in the overall management of an enterprise (See Packwood Column 3 lines 44-49).

Claim 2, Basch teaches the step of generating a suggested action responsive to the risk quotient (See Basch claim 1). The step of transmitting the score to an account issuer based on the score is interpreted to include the step of generating a suggested action responsive to the risk quotient.

Claim 3, Basch teaches the steps of storing the received transaction information, the risk quotient and the suggested action; and generating a diligence report referencing the stored

information. (See Basch claims 3-7 and Column 10 lines 24- 32 and 55-60) The reports are interpreted to include diligence reports also.

Claim 4, Basch teaches the step wherein the diligence report comprises the received transaction information relating to details of the financial transaction and actions taken responsive to the risk quotient. (See Basch Column 13 lines 26-62) The format of the alerts and reports are interpreted to include details of the financial transaction and actions taken responsive to the risk quotient.

Claim 5, Basch teaches the step wherein the suggested action is additionally responsive to the transaction information received. (See Basch Column 8 lines 2-12). The dispute action is interpreted to include action is additionally responsive to the information received.

Claim 7, Basch teaches the step wherein the suggested action comprises refusing to perform the financial transaction. (See Basch claim 6). Denying authorization request is interpreted to include the step of refusing to perform the transaction.

Claim 8, Basch teaches the step wherein the suggested action comprises refusing to perform a transaction. (See Basch claim 6 and Column 11 lines 3-5). The step of refusing to perform a transaction is interpreted to include the step of blocking acceptance of an account.

Claim 9, Basch teaches the step wherein the suggested action comprises notifying an authorized private or public data services. (See Basch Column 9 line 62 - Column 10 line 3) The authorized private or public data services are interpreted to include an authority.

Claim 10, Basch teaches the step wherein the information received comprises the identity of a high-risk entity and the high-risk entity's relationship to an account holder. (See Basch Column 12 lines 47-52 and Column 13 lines 40-49)

Claim 11, Basch teaches the step wherein the received transaction information comprises the identity of public agencies. (See Column 6 lines 24- 31) The public agencies are interpreted to include a secrecy Jurisdiction.

Claim 12, Basch teaches the step wherein the received transaction information is gathered electronically. (See Basch Column 8 lines 20-22 and Column 8 line 60 -Column 9 line 10)

Claim 13, Basch teaches the step of aggregating risk quotients relating to a financial institution to assess a level of identified risk to which the financial institution is exposed. (See Basch Column 5 line 62 -Column 6 line 8).

Claim 14, Basch teaches the step wherein scores are generated for financial transactions. (See Basch Column 17 lines 9-11) The scores are interpreted to include an average risk quotient associated with a transaction.

Claim 15, Basch teaches the step wherein the financial transaction comprises opening a financial account. (See Basch Column 11 lines 3-5).

Claim 17, Basch teaches a system wherein the transaction information is received via an electronic feed. (See Basch Column 8 lines 20-22 and Column 8 line 60 -Column 9 line 10)

Claim 18, Basch teaches a system wherein the transaction information received is generated by a public agency. (See Column 6 lines 24- 31) The public agencies are interpreted to include a government agency also.

Claims 19, 20 and 26, Basch fails to explicitly teach the steps wherein the network access device is a personal computer or a wireless handheld device and the risk quotient is indicative of an amount or monetary cost to defend all adverse position or a fine.

Official notice is taken that using a personal computer and/or a wireless handheld device to access networks are old and well known in the art. These devices allow the user to efficiently and rapidly communicate with the network. Also risk ratings indicative of liability risk (which includes an amount of money to defend an adverse position or a fine) are old and well known. These ratings help an insurer determine the premiums for underwriting the risk and for a user to determine if the risk is worth insuring.

It would have been obvious to one with ordinary skill in the art at the time of invention to include a personal computer and/or a wireless handheld device to the disclosure of Basch. The combination of the disclosures taken as a whole suggests that it would have helped the user facilitate faster and more efficient communication with the network and also determine if the risk is worth insuring.

Response to Arguments

7. Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure has been listed on the enclosed PTO-892.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor,

Art Unit: 3695

Charles R. Kyle can be reached at (571) 272-6746. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Narayanswamy Subramanian/
Primary Examiner,
Art Unit 3695

February 15, 2010